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FORMER ENRON CHIEF ACCOUNTING OFFICER RICHARD CAUSEY PLEADS GUILTY TO SECURITIES FRAUD

WASHINGTON, D.C. – Richard A. Causey, the former chief accounting officer at Enron Corp., has pleaded guilty to a charge of securities fraud, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Causey, 44, a resident of The Woodlands, Texas, entered his plea at a hearing in Houston this afternoon before Judge Sim Lake of U.S. District Court in the Southern District of Texas. Trial for Causey's co-defendants, former Enron chief executive officers Kenneth Lay and Jeffrey Skilling, is scheduled to begin before Judge Lake on Jan. 30, 2006.

As part of his plea agreement, Causey admitted to conspiring with members of Enron's senior management to make false and misleading statements in Enron's filings with the Securities and Exchange Commission (SEC) – and in analyst calls – about the financial condition of Enron, which did not fairly and accurately reflect the company's actual financial performance as he knew it. Causey also admitted to participating with others in senior management in efforts to use Enron's public filings and public statements to mislead the investing public by making false and misleading statements and omitting facts about the true nature of Enron's financial performance. Enron filed for bankruptcy protection on Dec. 2, 2001 and its stock became virtually worthless.

The plea agreement calls for a sentence of seven years in prison. The defendant would be eligible for a reduction of up to two years in the sentence if he provides full, complete and truthful cooperation with the Enron Task Force's ongoing probe into the collapse of the Enron Corp. As part of the agreement, Causey agrees to forfeit \$1.25 million to the government and give up claim to any deferred compensation claims from Enron.

The investigation into Enron's collapse is being conducted by the Enron Task Force, a team of federal prosecutors supervised by the Justice Department's Criminal Division and agents from the FBI and IRS Criminal Investigation. The Task Force also has coordinated with and received considerable assistance from the SEC. The Enron Task Force is part of President Bush's Corporate Fraud Task Force, created in July 2002 to investigate allegations of fraud and corruption at U.S. corporations.

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